



# City of Loma Linda Official Report

Floyd Petersen, Mayor  
Stan Brauer, Mayor pro tempore  
Robert Christman, Councilmember  
Robert Ziprick, Councilmember  
Charles Umeda, Councilmember

COUNCIL AGENDA: April 18, 2006

TO: City Council

VIA: Dennis R. Halloway, City Manager *[Signature]*

FROM: Pamela Byrnes-O'Camb, Secretary *[Signature]*

SUBJECT: Joint Public Hearing of the City Council and Redevelopment Agency to consider the disposition and development of property known as 25371 Park Avenue, including an agreement between the Agency and Habitat for Humanity, San Bernardino Area, Inc., developer

## RECOMMENDATION

It is recommended that:

The Agency Board adopt CRA Bill #R-2006-06, approving the Affordable Housing Agreement between the Agency and Habitat for Humanity and that

The City Council adopt Council Bill #R-2006-12, consenting to the Affordable Housing Agreement between the Redevelopment Agency and Habitat for Humanity.

## BACKGROUND

Habitat for Humanity, San Bernardino Area, Inc. proposed to acquire the parcel known as 25371 Park Avenue for the use as a single-family house to be sold to an income-qualified buyer selected by Habitat.

The City/Agency agreed to sell the parcel, which is located within the Target Area of the redevelopment Project Area, per an agreement that included a long-term affordability covenant that would restrict the use of the property to affordable ownership housing.

The Buyer will be executing a separate loan agreement with Habitat and will be making payments directly to Habitat that will require payment of principal, interest, taxes, insurance, utilities and maintenance for forty-five (45) years.

The Agency Agreement requires that:

- The buyer occupies the property as her principal residence.
- The amount of the Agency loan shall be \$160,000 with no interest.
- A 45-year long-term affordability covenant (very low) will be recorded.

- The Agency loan includes a forgiveness feature that starts at the 5th year of ownership and forgives 1/40<sup>th</sup> of the loan amount each year as long as the buyer is in compliance with the loan agreement.
- If the buyer sells, transfers, or does not comply with the provisions of the Agency loan or the Habitat loan prior to the 45<sup>th</sup> anniversary, the total loan amount of \$160,000 shall be due the Agency; and shall share equity with the Agency pursuant to the formula contained in the agreement.
- If sold, the home must be sold to a buyer who qualifies as a very-low income household as defined in the Agreement.

### **ANALYSIS**

Sale of the property to Habitat for Humanity will assist the Agency in furthering the goals of the Implementation Plan by providing for the improvements and the operation of certain uses as provided for in the Agreement.

### **ENVIRONMENTAL**

Class 3 Categorical Exemption from CEQA [CEQA Guidelines §15303 (a)]

### **FINANCIAL IMPACT**

No cash outlay by the Agency. The Agency will receive a modest amount of tax increment annually.

Attachments: CRA Bill #R-2006-06  
Council Bill #R-2006-12  
Agreement

## RESOLUTION NO. \_\_\_\_

A RESOLUTION OF THE LOMA LINDA REDEVELOPMENT AGENCY  
 APPROVING AN AFFORDABLE HOUSING AGREEMENT BY AND  
 BETWEEN THE AGENCY AND HABITAT FOR HUMANITY, SAN  
 BERNARDINO AREA, INC.

(25371 Park Avenue)

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.6 authorize and direct the Loma Linda Redevelopment Agency (the "Agency") to expend a certain percentage of all taxes which are allocated to the Agency pursuant to Section 33670 for the purposes of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income; and

WHEREAS, pursuant to applicable law the Agency has established a Low and Moderate Income Housing Fund (the "Housing Fund"); and

WHEREAS, pursuant to Health and Safety Code Section 33334.2(e), in carrying out its affordable housing activities, the Agency is authorized to provide subsidies to or for the benefit of very low income and lower income households, or persons and families of low or moderate income, to the extent those households cannot obtain housing at affordable costs on the open market, and to provide financial assistance for the construction and rehabilitation of housing which will be made available at an affordable housing cost to such persons; and

WHEREAS, pursuant to Section 33413(b), the Agency is required to ensure that at least 15 percent of all new and substantially rehabilitated dwelling units developed within a project area under the jurisdiction of the Agency by private or public entities or persons other than the Agency shall be available at affordable housing cost to persons and families of low or moderate income; and

WHEREAS, Habitat for Humanity, San Bernardino Area, Inc., a California nonprofit public benefit corporation (the "Developer") has proposed to acquire from the Agency certain property located at 25371 Park Avenue, Loma Linda (the "Site") and to construct or cause to be constructed a detached, single family residence thereon, the occupancy of which would be restricted to occupancy by a household of limited income that owns the Site, all as more particularly provided in the "Agreement", as described below. The rehabilitation by Developer constitutes the "Project"; and

WHEREAS, in order to carry out and implement the Redevelopment Plan for the Agency's redevelopment projects and the affordable housing requirements thereof, the Agency proposes to enter into an Affordable Housing Agreement (the "Agreement") with the Developer, pursuant to which the Agency would sell the Site to the Developer under a form of deed (the "Agency Deed") which includes long-term affordability covenants limiting the use of property to affordable ownership housing, under those terms more particularly provided by the Agreement; and

WHEREAS, the Project is located within the project area of the Loma Linda Redevelopment Project (the "Project Area" and the "Redevelopment Project", respectively) and the acquisition, construction and operation of the Project pursuant to the Agreement would benefit the Project Area

by providing affordable housing for persons who currently live and work within the Project Area; and

WHEREAS, the Agency has adopted an Implementation Plan pursuant to Health and Safety Code Section 33490, which sets forth the objective of providing housing to satisfy the needs and desires of various constituent elements of the community; and

WHEREAS, the Agreement furthers the goals of the Agency set forth in the Implementation Plan as it will facilitate the creation of affordable housing which will serve the residents of the neighborhood and the City; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Agency and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, under the Agreement, the Developer shall purchase the Site from the Agency at a purchase price described in a report to the Agency and City Council concerning the Agreement made in accordance with Section 33433 of the California Health and Safety Code (the "Report"). The financial participation by the Agency under the Agreement is in consideration of the particular uses required by the Agreement to be conducted by Developer on the Site as well as the Developer's undertakings concerning the development and operation of improvements for affordable ownership housing; and

WHEREAS, the Developer has submitted to the Agency and the City Council of the City of Loma Linda (the "City Council") copies of the Agreement substantially in the form submitted herewith; and

WHEREAS, the purchase price to be received by the Agency under the Agreement is not less than the fair reuse value of the Site, as determined by a reuse value analysis prepared for the Agency by Community Advisors, a consultant retained by the Agency; and

WHEREAS, pursuant to Section 33433 of the Community Redevelopment Law (California Health and Safety Code Section 33000, et seq.), the Agency is authorized, with the approval of the City Council after a duly noticed public hearing, to sell the Site pursuant to the Redevelopment Plan upon a determination by the City Council that the such sale of the Site will either assist in the elimination of blight, that the consideration for such sale is not less than the fair market value or fair reuse value of the Site in accordance with the covenants and conditions governing the sale of the Site and improvement costs required thereof, as well as the particular uses to be conducted by the Developer at the Site, and that the disposition of the Site by sale under the terms and conditions set forth in the Agreement is consistent with the implementation plan which has been adopted by the Agency for the Redevelopment Project; and

WHEREAS, a joint public hearing of the Agency and City Council on the proposed Agreement was duly noticed in accordance with the requirements of Health and Safety Code Sections 33431 and 33433; and

WHEREAS, the proposed Agreement, and a summary report meeting the requirements of Health and Safety Code Section 33433, were available for public inspection prior to the joint public hearing consistent with the requirements of Health and Safety Code Section 33433; and

WHEREAS, on April 18, 2006, the Agency and City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Agency reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Agency has reviewed the summary required pursuant to Health and Safety Code Section 33433 and evaluated other information provided to it pertaining to the findings required pursuant to Health and Safety Code Section 33433; and

WHEREAS, the City Council has previously determined, in its adoption of the ordinance approving the Redevelopment Project, that the Site is a portion of a blighted area, and is underutilized, as further set forth in the Implementation Plan as previously adopted and amended by the Agency; and

WHEREAS, the Agreement would assist in the alleviation or removal of blighting conditions and would further the goals of the Implementation Plan by providing for the provision of improvements and the operation of certain uses as provided in the Agreement; and

WHEREAS, the Agency and the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the redevelopment of the Site pursuant to the Agreement is in the best interests of the City of Loma Linda and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE LOMA LINDA REDEVELOPMENT AGENCY DOES RESOLVE AS FOLLOWS:

Section 1. The Agency hereby finds that the use of funds from the Agency's Low and Moderate Income Housing Fund pursuant to the Agreement will be of benefit to the Project Area for the reasons set forth above.

Section 2. The Agency finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the Agency's disposition of the Site by sale pursuant to the terms and conditions of the Agreement, particularly including long-term affordability covenants, is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 3. The Agency hereby finds and determines that the disposition by sale of the Site by the Agency pursuant to the Agreement will eliminate blight within the Project Area by

providing for the proper reuse and redevelopment of a portion of the Project Area which was declared blighted.

Section 4. The Agency hereby finds and determines that the Agreement is consistent with the provisions and goals of the Implementation Plan.

Section 5. The Agency hereby approves the Agreement in substantially the form presented to the Agency, subject to such revisions as may be made by the Executive Director of the Agency or his designee. The Executive Director of the Agency is hereby authorized to execute the Agreement (including without limitation all attachments thereto) on behalf of the Agency, together with any instruments necessary or convenient to implement the Agreement. A copy of the Agreement and the shall, when executed by the Agency, be placed on file in the office of the Secretary of the Agency.

Section 6. The Executive Director of the Agency (or his designee) is hereby authorized, on behalf of the Agency, to make revisions to the Agreement which do not materially or substantially increase the Agency's obligations thereunder or materially or substantially change the uses or development permitted on the Site, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Agreement and to administer the Agency's obligations, responsibilities and duties to be performed under the Agreement and related documents.

APPROVED AND ADOPTED this 18th day of April 2006 by the following vote:

Ayes:

Noes:

Absent:

---

Robert Ziprick, Chairman

ATTEST:

---

Pamela Byrnes-O'Camb, Agency Secretary

## RESOLUTION NO. \_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOMA LINDA  
CONSENTING TO THE APPROVAL OF AN AFFORDABLE HOUSING  
AGREEMENT BY AND BETWEEN THE LOMA LINDA REDEVELOPMENT  
AGENCY AND HABITAT FOR HUMANITY, SAN BERNARDINO AREA, INC.

(25371 Park Avenue)

WHEREAS, California Health and Safety Code Sections 33334.2 and 33334.6 authorize and direct the Loma Linda Redevelopment Agency (the "Agency") to expend a certain percentage of all taxes which are allocated to the Agency pursuant to Section 33670 for the purposes of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low- and moderate-income, lower income, and very low income; and

WHEREAS, pursuant to applicable law the Agency has established a Low and Moderate Income Housing Fund (the "Housing Fund"); and

WHEREAS, pursuant to Health and Safety Code Section 33334.2(e), in carrying out its affordable housing activities, the Agency is authorized to provide subsidies to or for the benefit of very low income and lower income households, or persons and families of low or moderate income, to the extent those households cannot obtain housing at affordable costs on the open market, and to provide financial assistance for the construction and rehabilitation of housing which will be made available at an affordable housing cost to such persons; and

WHEREAS, pursuant to Section 33413(b), the Agency is required to ensure that at least 15 percent of all new and substantially rehabilitated dwelling units developed within a project area under the jurisdiction of the Agency by private or public entities or persons other than the Agency shall be available at affordable housing cost to persons and families of low or moderate income; and

WHEREAS, Habitat for Humanity, San Bernardino Area, Inc., a California nonprofit public benefit corporation (the "Developer") has proposed to acquire from the Agency certain property located at 25371 Park Avenue, Loma Linda (the "Site") and to construct or cause to be constructed a detached, single family residence thereon, the occupancy of which would be restricted to occupancy by a household of limited income that owns the Site, all as more particularly provided in the "Agreement", as described below. The rehabilitation by Developer constitutes the "Project"; and

WHEREAS, in order to carry out and implement the Redevelopment Plan for the Agency's redevelopment projects and the affordable housing requirements thereof, the Agency proposes to enter into an Affordable Housing Agreement (the "Agreement") with the Developer, pursuant to which the Agency would sell the Site to the Developer under a form of deed (the "Agency Deed") which includes long-term affordability covenants limiting the use of property to affordable ownership housing, under terms as more particularly provided by the Agreement; and

WHEREAS, the Project is located within the project area of the Loma Linda Redevelopment Project (the "Project Area" and the "Redevelopment Project", respectively) and the acquisition, construction and operation of the Project pursuant to the Agreement would benefit the Project Area

by providing affordable housing for persons who currently live and work within the Project Area; and

WHEREAS, the Agency has adopted an Implementation Plan pursuant to Health and Safety Code Section 33490, which sets forth the objective of providing housing to satisfy the needs and desires of various constituent elements of the community; and

WHEREAS, the Agreement furthers the goals of the Agency set forth in the Implementation Plan as it will facilitate the creation of affordable housing which will serve the residents of the neighborhood and the City; and

WHEREAS, each of the City and the Agency has duly considered all terms and conditions of the proposed Agreement and believes that the Agreement is in the best interests of the Agency and the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local law requirements; and

WHEREAS, under the Agreement, the Developer shall purchase the Site from the Agency at a purchase price described in a report to the Agency and City Council concerning the Agreement made in accordance with Section 33433 of the California Health and Safety Code (the "Report"). The financial participation by the Agency under the Agreement is in consideration of the particular uses required by the Agreement to be conducted by Developer on the Site as well as the Developer's undertakings concerning the development and operation of improvements for affordable housing; and

WHEREAS, the Developer has submitted to the Agency and the City Council of the City of Loma Linda (the "City Council") copies of the Agreement substantially in the form submitted herewith; and

WHEREAS, the purchase price to be received by the Agency under the Agreement is not less than the fair reuse value of the Site, as determined by a reuse value analysis prepared for the Agency by Community Advisors, a consultant retained by the Agency; and

WHEREAS, pursuant to Section 33433 of the Community Redevelopment Law (California Health and Safety Code Section 33000, et seq.), the Agency is authorized, with the approval of the City Council after a duly noticed public hearing, to sell the Site pursuant to the Redevelopment Plan upon a determination by the City Council that the such sale of the Site will either assist in the elimination of blight, that the consideration for such sale is not less than the fair market value or fair reuse value of the Site in accordance with the covenants and conditions governing the sale of the Site and improvement costs required thereof, as well as the particular uses to be conducted by the Developer at the Site, and that the disposition of the Site by sale under the terms and conditions set forth in the Agreement is consistent with the implementation plan which has been adopted by the Agency for the Redevelopment Project; and

WHEREAS, a joint public hearing of the Agency and City Council on the proposed Agreement was duly noticed in accordance with the requirements of Health and Safety Code Sections 33431 and 33433; and



WHEREAS, the proposed Agreement, and a summary report meeting the requirements of Health and Safety Code Section 33433, were available for public inspection prior to the joint public hearing consistent with the requirements of Health and Safety Code Section 33433; and

WHEREAS, on April 18, 2006, the Agency and City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Agency reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the City Council has reviewed the summary required pursuant to Health and Safety Code Section 33433 and evaluated other information provided to it pertaining to the findings required pursuant to Health and Safety Code Section 33433; and

WHEREAS, the City Council has previously determined, in its adoption of the ordinance approving the Redevelopment Project, that the Site is a portion of a blighted area, and is underutilized, as further set forth in the Implementation Plan as previously adopted and amended by the Agency; and

WHEREAS, the Agreement would assist in the alleviation or removal of blighting conditions and would further the goals of the Implementation Plan by providing for the provision of improvements and the operation of certain uses as provided in the Agreement; and

WHEREAS, the Agency and the City Council have duly considered all of the terms and conditions of the proposed Agreement and believes that the redevelopment of the Site pursuant to the Agreement is in the best interests of the City of Loma Linda and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMA LINDA DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby finds that the use of funds from the Agency's Low and Moderate Income Housing Fund pursuant to the Agreement will be of benefit to the Project Area for the reasons set forth above.

Section 2. The City Council finds and determines that, based upon substantial evidence provided in the record before it, the consideration for the Agency's disposition of the Site by sale pursuant to the terms and conditions of the Agreement, particularly including long-term affordability covenants, is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement.

Section 3. The City Council hereby finds and determines that the disposition by sale of the Site by the Agency pursuant to the Agreement will eliminate blight within the Project Area by

Resolution No.

Page 4

providing for the proper reuse and redevelopment of a portion of the Project Area which was declared blighted.

Section 4. The City Council hereby finds and determines that the Agreement is consistent with the provisions and goals of the Implementation Plan.

Section 5. The City Council hereby consents to the approval of the Agreement by the Agency in substantially the form presented to the Agency, subject to such revisions as may be made by the Executive Director of the Agency or his designee.

APPROVED AND ADOPTED this 18th day of April 2006 by the following vote:

Ayes:

Noes:

Absent:

---

Floyd Petersen, Mayor

ATTEST:

---

Pamela Byrnes-O'Camb, City Clerk